

Los Angeles County Economic Forecast

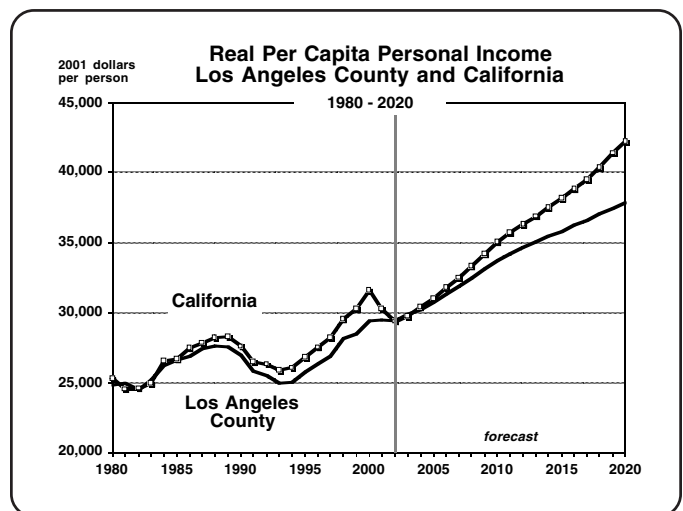
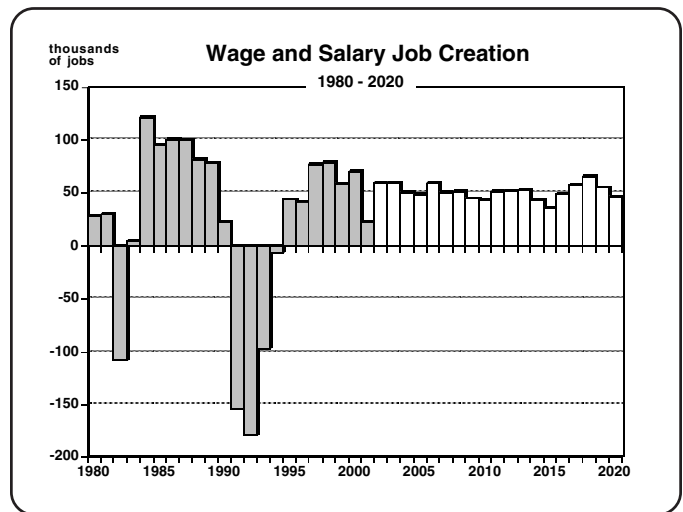
Los Angeles County is the largest county-level economy in California, with over 9 million people, and 4.1 million wage and salary jobs. The County has been slow to create jobs during the economic expansion of the late 1990s, as growth of both income and jobs in the adjacent regions of the Inland Empire, Orange County, and Ventura County exceeded that of Los Angeles. Nevertheless, between 1996 and 2000, the County created a total of 284,000 non-farm jobs, a 7.5 percent increase.

The County weakened in 2001, along with the State. But economic growth in Southern California in general was impressive, compared to the Northern half of the state. Total non-farm employment growth in Los Angeles County slowed to 0.53 percent during calendar 2001, and the rate of unemployment rose marginally to 5.7 percent. Job loss among sectors was spotty in 2001. The principal industries that shed jobs included manufacturing, especially textile manufacturing, movie production, business services and wholesale trade. Elsewhere, employment was stable or actually increased.

During 2002, the rate of unemployment has increased, but job growth is positive again. With the recovery of the national economy, the Southern California region will continue to out-perform the rest of the State in economic growth during 2002.

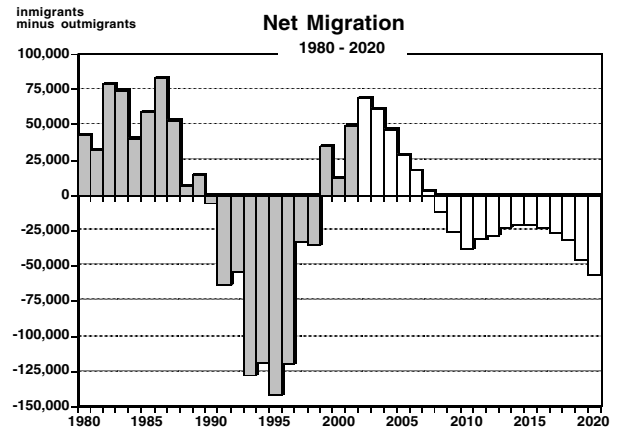
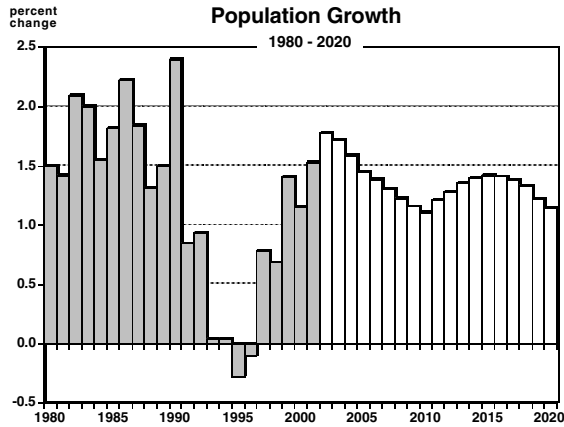
Forecast Highlights

- Job growth rises in 2002, averaging 1.5 percent. The same rate of growth is forecast for 2003. Between 2002 and 2007, the compound annual growth rate is 1.3 percent per year, compared to 1.7 percent per year between 1995 and 2000.
- The unemployment rate rises to 6.4 percent in 2002 (from 5.7 last year), but declines in subsequent years.
- The services sector remains the growth engine of jobs in Los Angeles County. Employment growth in services averages 2.3 percent per year over the next 5 years, compared to 2.4 percent growth between 1995 and 2000. Business services, personal services, and recreation services will lead this sector in job creation.
- Population growth increases, due principally to the increase in births over the next 5 years. Compound annual growth in the 2002 to 2007 period rises to 1.4



percent per year, from 0.8 percent between 1995 and 2000. The population growth increase is principally led by the natural increase, and some new-migration over the next 5 years. Net-migration turns negative after 2007.

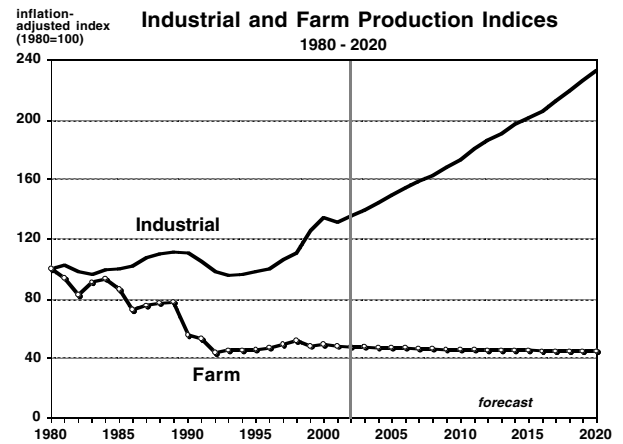
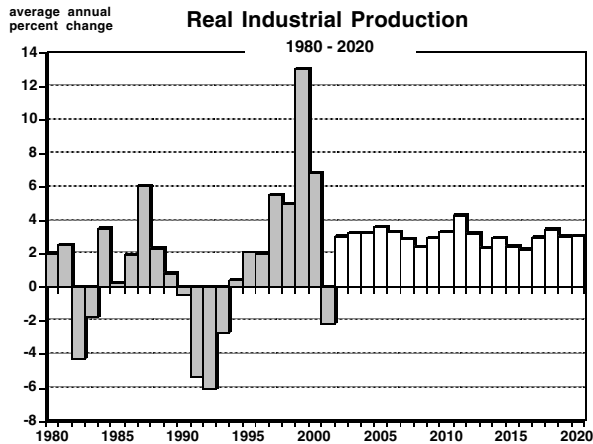
- Real per capita income remains stable in 2002 and 2003, rising marginally thereafter. An annual compound rate of growth of 1.6 percent over the next 5 years is forecast. Between 1995 and 2000, real per capita personal income increased an average of 2.7 percent per year.
- The median home price in the County was \$232,267 in 2001. Prices rise an average of 3.4 percent per year, adjusted for inflation, over the next 5 years.



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1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	9,308,400	-141,185	6.1	3,057	8,405	\$49.3	\$208.7	\$25,725	\$215	\$83
1996	9,299,500	-119,545	6.2	3,061	8,607	\$51.5	\$217.6	\$26,394	\$227	\$84
1997	9,372,300	-33,427	5.8	3,067	10,424	\$53.4	\$227.2	\$26,895	\$241	\$89
1998	9,436,800	-35,204	6.1	3,075	11,692	\$55.6	\$243.2	\$28,191	\$256	\$94
1999	9,570,000	34,926	6.3	3,082	14,383	\$61.1	\$254.9	\$28,476	\$245	\$106
2000	9,680,600	12,722	6.5	3,132	17,071	\$68.0	\$275.5	\$29,448	\$259	\$113
2001	9,828,500	49,235	6.5	3,142	17,945	\$70.7	\$290.1	\$29,515	\$261	\$111
2002	10,003,442	69,590	6.5	3,160	18,579	\$73.2	\$301.4	\$29,459	\$265	\$114
2003	10,175,190	61,265	6.6	3,178	17,214	\$76.2	\$318.8	\$29,884	\$270	\$118
2004	10,337,499	46,718	6.7	3,196	15,365	\$79.1	\$335.2	\$30,225	\$274	\$121
2005	10,487,529	28,979	6.7	3,213	15,514	\$82.5	\$353.9	\$30,716	\$280	\$126
2006	10,633,065	17,838	6.8	3,229	16,322	\$86.6	\$375.2	\$31,363	\$285	\$130
2007	10,771,630	3,340	6.9	3,246	17,621	\$90.5	\$394.8	\$31,854	\$290	\$134
2008	10,903,795	-11,129	6.9	3,264	16,518	\$94.8	\$417.1	\$32,510	\$295	\$137
2009	11,030,124	-25,558	6.9	3,281	16,852	\$99.4	\$439.9	\$33,146	\$300	\$141
2010	11,152,513	-37,784	7.0	3,299	16,248	\$104.3	\$463.5	\$33,711	\$306	\$146
2011	11,288,113	-31,410	7.1	3,316	15,786	\$109.4	\$488.2	\$34,223	\$313	\$152
2012	11,432,816	-28,106	7.2	3,332	14,978	\$114.5	\$513.6	\$34,669	\$319	\$157
2013	11,587,917	-22,995	7.2	3,349	14,505	\$119.7	\$540.4	\$35,078	\$326	\$161
2014	11,750,188	-21,003	7.3	3,364	13,594	\$124.6	\$567.9	\$35,499	\$333	\$165
2015	11,917,541	-20,772	7.4	3,380	12,890	\$129.4	\$595.4	\$35,838	\$340	\$169
2016	12,085,838	-23,102	7.4	3,395	13,499	\$134.7	\$625.7	\$36,234	\$347	\$173
2017	12,253,320	-26,110	7.5	3,410	14,119	\$140.4	\$657.2	\$36,588	\$355	\$178
2018	12,416,843	-31,904	7.5	3,426	14,806	\$146.4	\$691.5	\$37,067	\$363	\$185
2019	12,568,656	-45,510	7.6	3,442	14,158	\$152.1	\$724.1	\$37,449	\$371	\$190
2020	12,712,165	-56,503	7.6	3,457	13,084	\$157.6	\$756.7	\$37,827	\$378	\$196



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
3,755	8.0	109.8	5.9	638.4	202.6	835.8	222.1	1,196.2	535.7
3,796	7.2	107.5	5.7	644.7	204.7	840.7	217.2	1,234.9	533.0
3,872	7.0	109.5	5.5	661.4	211.9	858.6	220.2	1,261.9	536.3
3,951	7.7	118.4	4.9	661.7	225.2	871.9	228.4	1,292.2	541.0
4,010	7.3	125.8	4.3	641.6	234.7	887.8	231.6	1,315.5	561.6
4,080	7.7	130.9	4.0	627.0	244.1	905.3	230.0	1,349.7	581.3
4,102	8.3	133.3	4.2	605.7	247.8	906.4	233.1	1,364.8	598.7
4,162	8.2	133.7	4.0	620.8	248.0	905.4	238.2	1,392.4	611.5
4,222	8.0	133.6	3.8	629.1	249.9	906.7	242.2	1,427.3	621.3
4,272	8.0	133.6	3.6	634.8	251.5	904.3	244.5	1,460.1	632.0
4,321	7.9	134.3	3.4	638.5	253.1	902.4	245.3	1,492.9	643.2
4,381	7.8	135.3	3.3	641.2	256.5	909.9	245.9	1,527.1	653.8
4,431	7.8	135.9	3.1	643.8	260.0	910.9	246.4	1,559.9	663.4
4,482	7.7	137.4	2.9	645.5	263.3	913.5	247.1	1,593.1	671.6
4,527	7.7	136.7	2.8	648.2	266.5	919.1	247.0	1,621.1	677.7
4,570	7.7	136.9	2.6	653.0	270.1	925.3	247.0	1,645.2	682.3
4,621	7.6	136.6	2.4	657.4	274.1	936.6	247.3	1,673.5	685.6
4,672	7.6	136.5	2.3	661.8	277.5	949.4	247.6	1,702.3	687.4
4,725	7.6	136.3	2.1	666.1	280.3	960.2	248.0	1,735.9	688.4
4,768	7.6	136.3	2.0	670.4	282.8	970.4	248.4	1,759.8	690.0
4,804	7.5	136.1	1.9	674.4	285.4	972.7	248.6	1,785.7	691.5
4,853	7.5	135.9	1.9	678.2	288.0	983.2	248.7	1,816.3	692.9
4,910	7.5	136.7	1.9	682.8	290.8	996.5	249.0	1,850.2	694.5
4,976	7.5	137.8	2.0	687.5	294.3	1,011.9	249.5	1,888.9	696.1
5,030	7.5	138.7	2.2	692.0	298.3	1,019.0	249.7	1,924.2	698.9
5,077	7.5	139.1	2.2	696.5	301.5	1,024.5	249.5	1,953.9	702.1

